

**No. NFRA-05/1/2021-Comp-MCA
Government of India
Ministry of Corporate Affairs**

**5th Floor, 'A' Wing, Shastri Bhawan
New Delhi-110001,
Dated 14th September, 2021**

To

The Secretary
National Financial Reporting Authority
8th Floor, Hindustan Times Building
Kasturba Gandhi Marg, New Delhi

Subject: Scheme for Engagement of Chartered Accountants/ Cost and Management Accountants/ Company Secretaries as Professional (contract basis) in NFRA-reg.

Sir

I am directed to refer to this Ministry's Circular No. A-12034/1/2018-Ad. I dated 24.04.2019 and NFRA's letter No. NF-120111/8/2019-Part File-II dated 06.05.2021 on the extant subject mentioned above and to say that approval of the Competent Authority is hereby accorded for **Scheme for Engagement of Chartered Accountants/ Cost and Management Accountants/ Company Secretaries as Professional (contract basis) in NFRA**. The details of the Scheme as approved is enclosed.

Encl: As above.

Yours faithfully


(Rakesh Kumar)

Under Secretary to the Govt. of India

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Scheme for Engagement of Chartered Accountants/ Cost and Management Accountants/ Company Secretaries as Professional (contract basis) in NFRA-reg.

1. The scheme circulated vide this Ministry's Circular No. A-12034/1/2018-Ad. I dated 24.04.2019 is superseded by this scheme.

2. Contractual terms and conditions:

(a) The applicant should possess the following Qualifications:

- (i) He/she should be a qualified Chartered Accountant/ Cost Accountant/ Company Secretary having passed the final examination of the Institutes concerned.
- (ii) He/she should have minimum two years of experience post passing their final examination; candidates with greater experience would be given preference.
- (iii) He/she should have good communication skills, both written and oral;
- (iv) Experience in conducting/ participating in audits of large or listed companies is desirable.

(b) The terms and conditions of the appointment will be:-

- (i) Selected candidates shall not practice as Chartered Accountant/ Cost Accountant or Company Secretaries during the period of their engagement in NFRA.
- (ii) He/she would be engaged for a period of initial 1 year. On Completion of each year, the performance of the professionals will be evaluated by the Committee, constituted on the lines of Consultancy Evaluation Committee (CEC) under the Scheme of Engagement of Consultant/Sr. Consultant in NFRA and their contract may be extended for another year on the basis of recommendations of Committee. Extension beyond 3 years will be considered in exceptional cases, based on the recommendations of the Committee.
- (iii) The selected candidate would be assigned tasks, at discretion of the NFRA, in areas such as preparation of inspection and training manuals, conduct of audit quality reviews, review of company financial statements etc.
- (iv) For the new appointments as professionals, their remuneration will be fixed at Rs. 45000 for the first year, 50000 for second year and 60000 for the third year. However, for the incumbents who have already completed one year as Professional in NFRA and are being paid Rs. 41000/- pm, their remuneration may be fixed at 50,000 for the second year and 60,000 for the third year. Enhancement will be done from prospective basis.

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(v) All the selected candidates will have to provide declaration of fidelity and secrecy certified as prescribed by NFRA.

(vi) No TA/DA will be given to the candidates for attending the interviews, if held.

(vii) The service of the selected candidate may be terminated by NFRA by giving a 30 days' notice in case of the following eventualities:

- a. The selected candidate is unable to address the assigned works.
- b. Quality of work performed is not to satisfaction of NFRA.
- c. The selected candidate fails in timely achievements of the worked plan.
- d. The selected candidate is found lacking in honesty and integrity.

(viii) The selected candidate may also terminate the engagement by serving a notice period of 30 days or one month remuneration in lieu thereof.

3. This issues with the approval of Competent Authority and concurrence of AS&FA vide his note#53 and #66 dated 01.09.2021 and 09.09.2021, respectively.

Rakesh Kumar